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## *Performance Metrics Workshop 22-23 March 2005*

# *FY06 Budget Results & Prep for 07 metrics*

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## *Where we Have Been*

- If we are going to impact funding to projects we must have a inclusive and interactive process with our navigation partners & stakeholders.
- Workshop Springfield in May 04
- Briefing at HQUSACE Dec 04
- 22-23 March 05 in Springfield

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## Navigation 21

Provide safe, reliable, efficient, effective and environmentally sustainable waterborne transportation systems for movement of commerce, national security needs, and recreation.



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3



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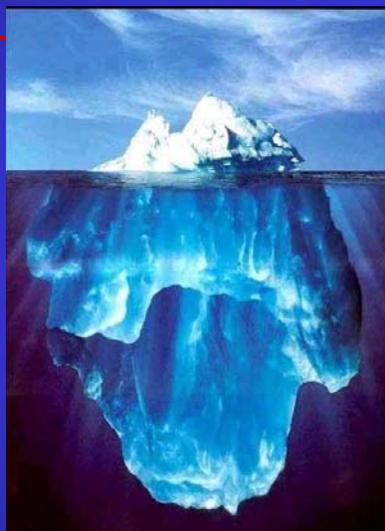
## Uncertainty in a time of change

We are running risks on the inland waterways and ports with less funding at the same time they are in the greatest need of investment.

Budget calls for accelerated investment in critical projects while at the same time it doesn't fund gates at critical locks .

New Major rehab program projects are not funded.

System is as strong as its weakest link.



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## A Time of Change

- Post 9-11
- War time budgets
- Aging infrastructure
- Reliability increasingly critical to business success

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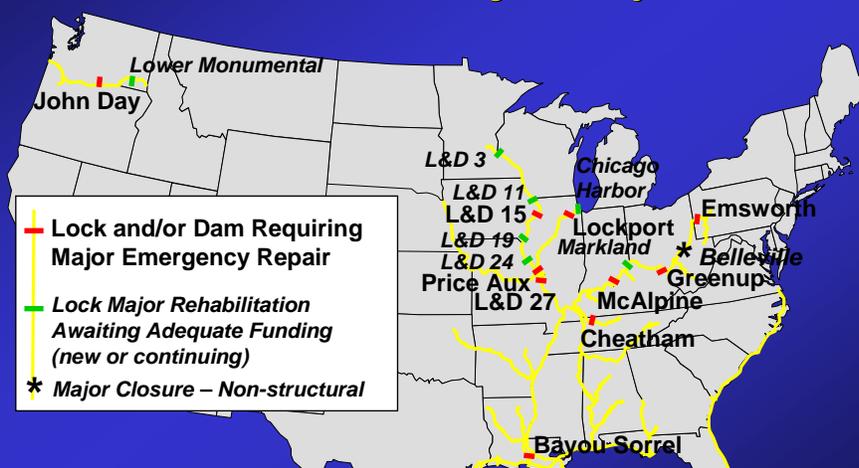
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## Major Locks and Dams Requiring Emergency Repairs

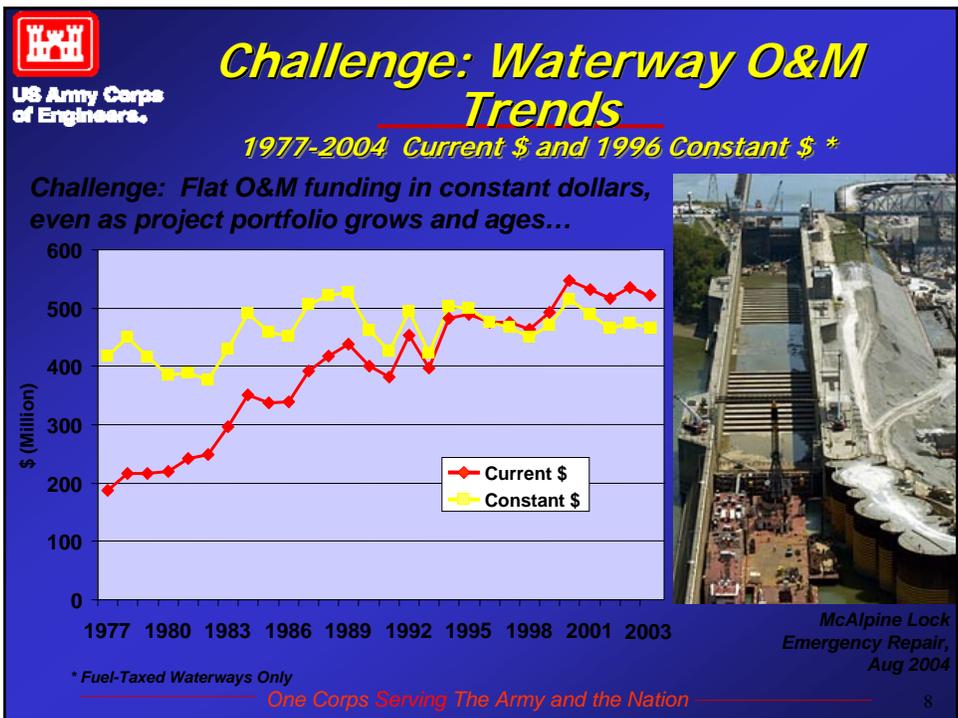
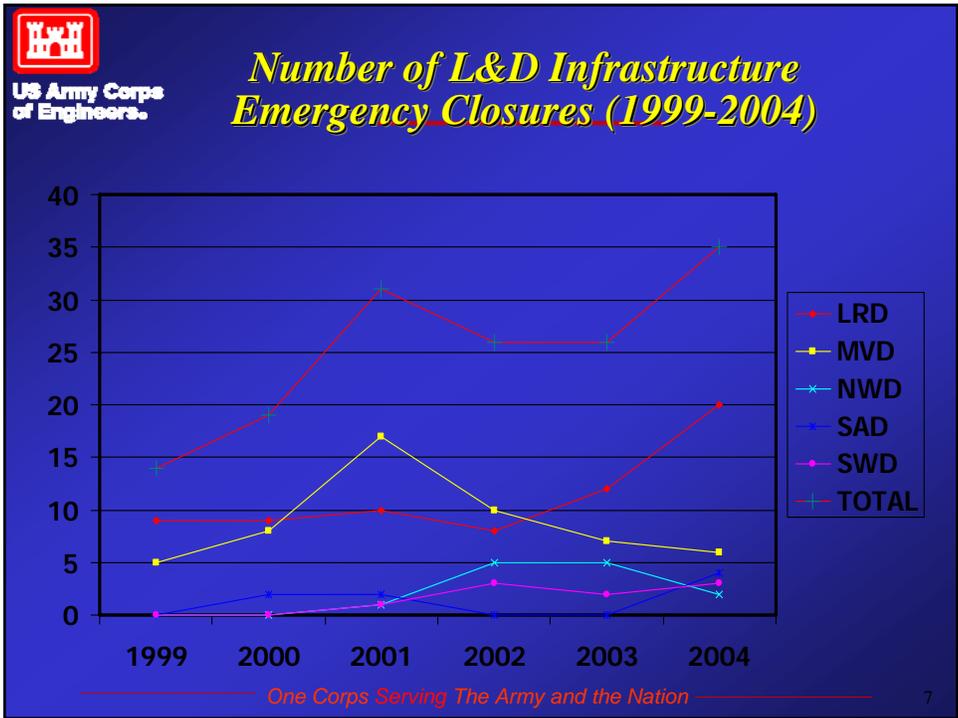
November 2002 through February 2005



**Tight funding means maintenance and repair on a "fix-as-fail" basis. Meanwhile, list of major rehabilitations waiting for funding grows...**

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## Cost of L&D Emergency Closures and Needed Repairs (1999-2004)

<u>MSC</u>	<u>CG</u>	<u>O&amp;M</u>	<u>TOTAL</u>
LRD	\$0	\$16,290,213	\$16,290,213
MVD	\$0	\$61,401,700	\$61,401,700
NAD	\$0	\$0	\$0
NWD	\$0	\$42,171,750	\$42,171,750
SAD	\$26,000,000	\$1,577,170	\$27,677,170
SWD	<u>\$0</u>	<u>\$496,000</u>	<u>\$496,000</u>
<b>TOTAL</b>	<b>\$26,000,000</b>	<b>\$121,936,833</b>	<b>\$147,936,833</b>

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## Funding Dilemma



- Funding shortfalls in FY04 more severe than at any point in last 30 years
  - Reduced appropriations in “real dollars”
  - Virtual elimination of usable carry-over from prior years
  - FY05 Budget Request would have cut inland waterway O&M 4%
  - Actual FY05 Appropriation increased it by 3%
- How we responded:
  - “Just in time” movement of \$ and national program reviews – “get by” in short term
  - Fundamentally change approach to budgeting . . . “a little for everyone” not working

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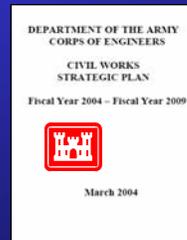
# Performance Based Budgeting: How We Got Here

## OUT

- Geographic budgeting
- Budgeting by account
- Business line balance

## IN

- Government Performance & Results Act (GPRA)
- President's Management Agenda (PMA)
- Program Assessment Rating Tools (PARTs)
- Strategic Plan



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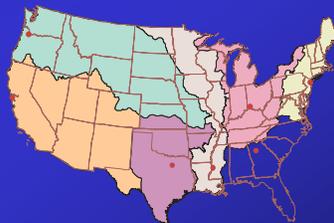
# Program Development Concepts

## OLD

Accounts  
 Ceilings  
 Account "Pots"  
 Regional "Pots"

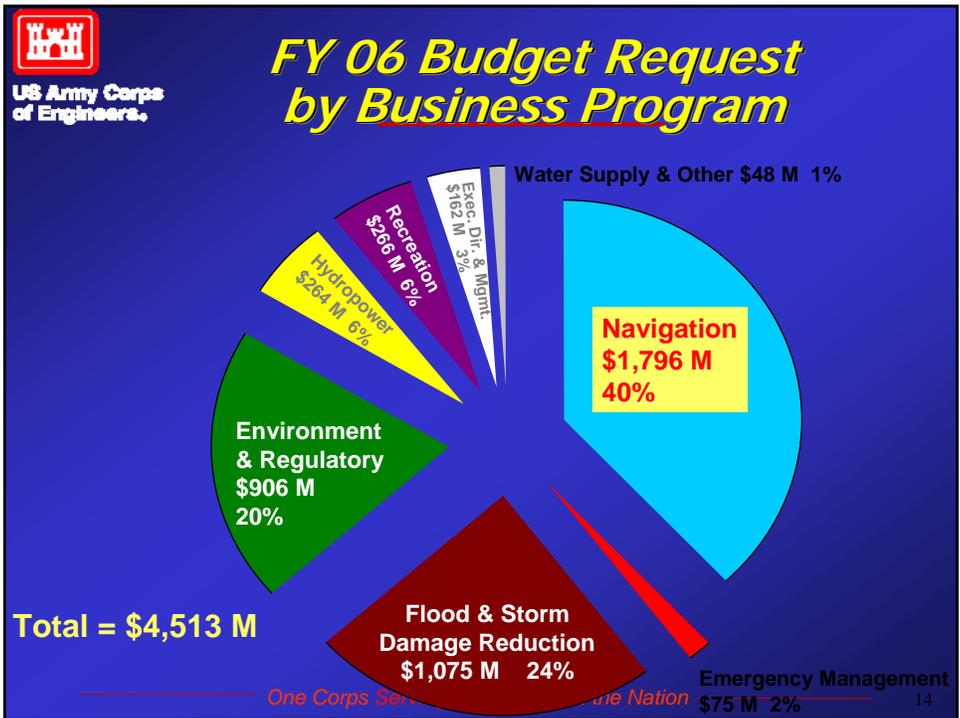
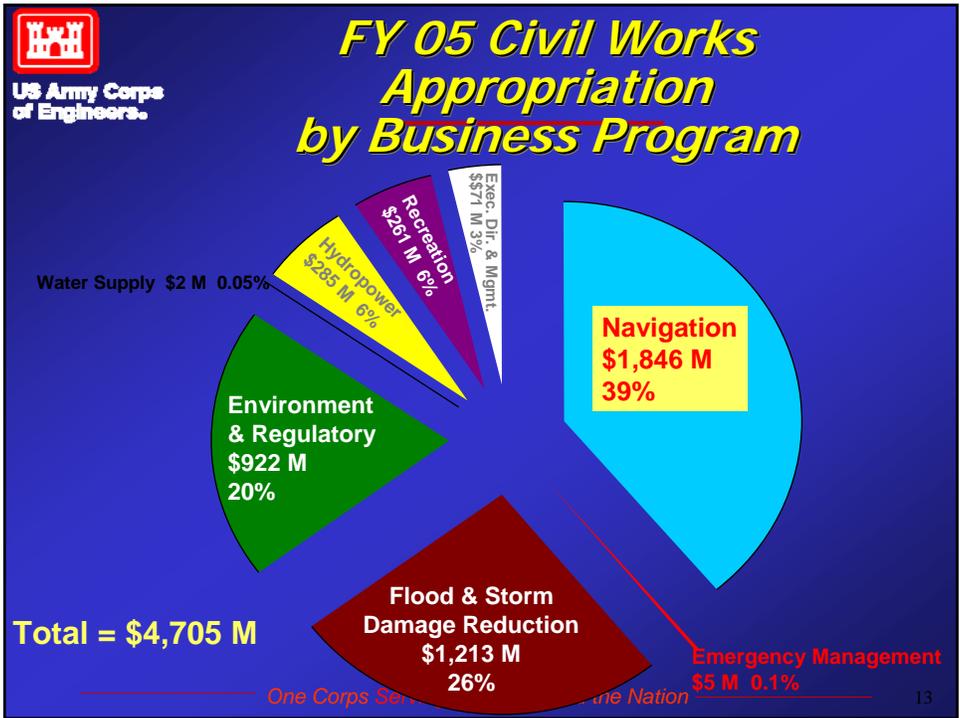
## NEW

*Business Lines*  
*Performance Based*  
*Prioritization*  
*Nothing Sacred*



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# FY 06 BUDGET

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	<u>03 Act</u>	<u>04 Act</u>	<u>05 Bud</u>	<u>05 Act</u>	<u>06 Army*</u>	<u>06 Current</u>
General Investigations	134	117	91	145	118	95
Operation & Maint.	1967	1968	1934	1959	1937	1979
Construction, General	1745	1722	1437	1796	1315	1637
Miss. River & Tribs.	342	324	270	324	228	270
Regulatory Program	138	140	150	145	180	160
Flood Control & Coastal Emer	15	0	50	0	25	70
F.U.S.R.A.P.	144	140	140	165	130	140
General Expenses	154	160	167	167	169	162
ASA(CW)	0	0	0	4	0	0
<b>Total</b>	<b>4639</b>	<b>4571</b>	<b>4238</b>	<b>4705</b>	<b>4102</b>	<b>4513</b>

\* Ceiling values – the Recommended program totaled \$4775.

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# Flat Funding Horizon

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	2006	2007	2008	2009	2010
Discretionary Budget Authority by Account:	4332	4237	4243	4235	4170

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## ***Our Approach***

- Public input into performance metrics
- Better execution by the Corps of PPB
- Corps & stakeholder involvement in ensuring priorities that most reduce risk & increase reliability
- Better understanding of impacts of infrastructure underinvestment and ability to communicate them

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## ***Risk & Reliability for the Inland Waterways***

- Systems based [MSC/DistrictCdr is CEO of the system]
  - ❖ Upper Mississippi & Illinois
  - ❖ Ohio River & Tribs
  - ❖ Ouchita Black
- Risk & reliability focused
- Industry-Corps at the table to shape investments
  - ❖ Engineering risk
  - ❖ Recovery scenarios
  - ❖ Impacts
- Tied into performance based budgeting

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## Workshop Purposes

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- Understand the 06 Budget Process and how projects were impacted
- Collaborate with the Corps on developing 07 performance metrics
- Mutual commitment to continued dialogue
- Improve our partnership

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## Rules of Engagement

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- Seek first to understand
- Ask questions....we will try to answer each one
- Participate fully in your break out group
- Be prepared to share your views with the larger group
- We will stay each day as long as folks ask questions

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## ***Intent***

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- **We will carefully consider suggestions, ideas, & recommendations coming from this session for inclusion in the 07 Budget EC.**
- **We will provide feedback on suggestions and discussion.**